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Residential Historic Rehabilitation Tax Credit

The Indiana Department of Natural Resources has recently announced a new tax credit program that is open to residential homeowners in historic districts. The following information describes the State program and lists the qualifications.

The Residential Historic Rehabilitation Credit is available to Indiana State Income taxpayers who undertake certified rehabilitations of historic buildings that are principally used and occupied by the taxpayer as that taxpayer's residence. The State incentive allows a taxpayer to claim a State Income Tax credit for 20% of the total qualified rehabilitation or preservation cost of a project. The Division of Historic Preservation and Archaeology, Indiana Department of Natural Resources administers the program. The following conditions must be met to qualify for the Residential Historic Rehabilitation Credit :

- The property must be located in the State of Indiana
- The building must be at least fifty (50) years old.
- The property must be listed on the Indiana Register of Historic Sites and Structures.
- The property must be owned by the taxpayer(s), used and occupied by the taxpayer(s) as his/her/their principal residence.
- The rehabilitation or preservation work for which the credit is claimed must conform to a Rehabilitation Plan or a Preservation Plan submitted to and approved by the Division of Historic Preservation and Archaeology.
- The qualified expenditures for preservation or rehabilitation of the historic property must exceed ten thousand dollars (\$10,000).
- Qualified expenditures include the cost of work for preservation or rehabilitation that enables the structure to be principally used and occupied by the taxpayer as the taxpayer's residence. Qualified expenditures do not include cost of acquiring the

property or realtor's fees associated with the property, taxes due on the property, costs of additions or enlargement of the existing structure, paving and landscaping, and sales and marketing costs.

- The rehabilitation or preservation work must be completed during a measuring period not to exceed two (2) years for a single phase project, or not to exceed five (5) years if the approved plan authorized that the rehabilitation be completed in phases. The measuring period begins when physical work of construction or destruction begins in preparation for construction.

If you are interested in the program and want more information, please contact:

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